



Environmental Services Division
Energy and Waste Management Bureau

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GASOLINE AND PROPANE INVENTORIES INCREASE; UNREST IN MIDDLE EAST KEEPS MARKET VOLATILE

DES MOINES -- The U.S. Department of Energy's weekly inventory report issued Wednesday indicated that gasoline inventories grew during the past week at a time when supplies typically decrease due to the summer driving season.

According to analysts, the increase in gasoline supplies indicates that prices in the \$3-per-gallon range have impacted demand, causing inventories to build. Refineries pushed up their production as well, pumping out gasoline, diesel and other fuels at 93 percent of their total capacity.

Gasoline inventories grew by 1.5 million barrels last week to 214.2 million barrels, or close to one percent above last year's levels at this time. Analysts had projected a decline.

"Although inventories are up, prices could stay up as well," said Tami Foster, data energy analyst for the DNR. "While inventories are currently higher than expected for this time of year, the market remains extremely volatile. The conflict in Israel and Lebanon and Iran's nuclear program continue to threaten Middle East oil supplies."

E10 prices across Iowa increased from 14 to 30 cents per gallon from last month, with an average state increase of 19 cents per gallon. The latest data shows that E10, a blend of 10 percent ethanol and 90 percent gasoline, represented 72 percent of all retail gasoline sold in Iowa in May 2006. All auto manufacturers warrant the E10 blend for use.

Propane inventories posted a build of 1.8 million barrels this week. For the first time in several weeks, propane inventories posted gains in all regions of the country. Propane prices in Iowa showed a two-cent average increase from last month.

Note to editors: The DNR will no longer report E85 sales as the Iowa Department of Revenue (IDR) has been gathering E85 sales data since January as required by Iowa Code section 452A.3 as amended by 2005 Iowa Acts, House File 868.

IDR will provide E85 sales data through an elist message and will post it on their website. To subscribe to the elist, go to <http://elists.idrf.state.ia.us/scripts/wa.exe> and click on "Join/Leave List" under "Motor Vehicle Fuel Tax (IDRFMotorFuel)."

Motor Fuels Survey State Average Price Per Gallon

Self-Serve	6/15/06	7/15/06	Difference 6/15 to 7/15
Regular Unleaded with 10% Ethanol	2.73	2.92	+0.19
Regular Unleaded	2.75	2.86	+0.11
Premium Unleaded	2.81	2.94	+0.13
Diesel	2.90	2.99	+0.09

Source: Oil Price Information Service, www.opisnet.com

10% Ethanol Average Retail Price Per Gallon
-- Major Iowa Cities

	6/17/06	7/17/06	Difference
Ames	2.66	2.88	+0.22
Cedar Rapids	2.71	2.93	+0.22
Council Bluffs	2.74	2.88	+0.14
Davenport	2.78	2.98	+0.20
Des Moines	2.56	2.86	+0.30
Dubuque	2.74	2.90	+0.16
Fort Dodge	2.71	2.94	+0.23
Iowa City	2.75	2.98	+0.23
Sioux City	2.68	2.88	+0.20
Waterloo	2.67	2.87	+0.20
Webster City	2.74	2.98	+0.24
Average Metro Price	2.73	2.92	+0.19

Source: Oil Price Information Service, www.opisnet.com

Heating Fuels Survey

	6/12/06	7/12/06	Difference
Natural Gas	6.08 (6/14)	5.89 (7/19)	-0.19
Propane	1.48	1.50	+0.02
#2 Heating Oil	2.53	2.68	+0.15

Sources: Wall Street Journal, Iowa Department of Natural Resources